

Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.

Spotlight ON FOREIGN MARKETING

A280.39
F765.
cop 2

TO U.S. AGRICULTURAL ATTACHES AND FAS STAFF MEMBERS

Vol. 1, No. 5

April 25, 1957

COTTON TRENDS ASSISTING EXPORT MARKET DEVELOPMENT. U.S. cotton market development abroad fits well with current consumption trends and possibilities. U.S. per capita consumption of cotton is about 26 lbs. per year. In the foreign free world it is only about 6 lbs. If foreign consumption could be increased by only 2 lbs. -- the equivalent of one bed sheet or one pair of overalls -- it would create a new market for 7 million bales annually.

Foreign cotton consumption in the last half of 1956 indicates a rise of 1.3 million bales in the present fiscal year. Reasons are improved price relationship of cotton to rayon staple fibers and growth of cotton textile industries in underdeveloped areas.

Promotional activities are helping increase the preference for cotton fibers in wearing apparel and other goods. Efforts to increase cotton consumption abroad are being made through cooperative projects by FAS, Cotton Council International and foreign trade groups. The budget for 1957 activities amount to about 3 million dollars. The funds are derived from PL 480 sales and from contributions by U.S. and foreign trade organizations on nearly a fifty-fifty basis.

In the U.S. last fall, AMS asked 1,700 girls aged 14-17 years what garments they owned and what fabrics they preferred. The girls showed an overwhelming preference for cotton over synthetic fibers for outer clothing. Major selling points for cotton were washability, wearability, comfort, and fabric design. These points may help promote greater use of cotton in many countries which are influenced by U.S. trends in clothing styles and fabrics. (See supplement).

WHEAT SUPPORT AND ACREAGE AT LEGAL MINIMUMS. To minimize surplus production, the Secretary has established the price support and compulsory marketing controls on acreage for the 1958 wheat crop at the lowest levels permitted by law. Producers will vote June 20 on the marketing quota. To go into effect, it needs two-thirds favorable vote. This year's reduction of about 5% in the surplus is the first since it built up, but the supply is still 56% above the marketing quota level.

TOBACCO BARGAIN IN MARYLAND - MARKET OPENS APRIL 30. The market for one of the world's finest quality light air-cured tobaccos will open April 30 in Maryland. Supplies of Maryland tobacco are at a near record level, offering a wide selection to interested buyers. From all indications an excellent crop in both price and quality will be placed on the market this season. Maryland tobacco is expected to offer profitable buying opportunities especially in comparison with the recent trends of comparable light air-cured leaf on the world markets.

Maryland tobacco with its even burning capacity, mild aroma and neutral flavor has long been noted for its ability to blend well with other types. It also is light in weight per unit of volume which makes it an economical filler.

SIX JAPANESE TRADE GROUPS TO HAVE LEAD IN U.S. AGRICULTURAL EXHIBIT IN TOKYO (May 5-15). This will be the first time foreign trade associations have taken a major responsibility in promoting our sales of U.S. agricultural commodities in an overseas exhibit. The trade associations represent firms which import U.S. products. The Japanese co-operators are the Japan Cotton Promotion Institute, Japanese-American Soybean Institute, National Tobacco Sales, Japan Dairy Products, Japan Oil and Fat Processing Industry, and Japan Dried Fruits Import Associations.

U.S. co-operators are the Oregon Wheat Growers League, Farmers' Hybrid Popcorn Growers' Assoc., American Soybean Assoc., Tobacco Associates, Inc., and Cotton Council, International.

U.S. exhibit will feature wheat, cotton, tobacco, soybeans, dairy products, popcorn, and dried fruits--mostly raisins.

An additional feature will be the appearance of the 1957 American Dairy Princess, Miss Shari Lewis of Daykin, Nebr. Arrangements for her participation have been made by the American Dairy Association and the Dairy Society International.

A GREEK WHEAT TRADE MISSION IS NOW IN THE U.S. to study quality and availability of U.S. wheat. This is another in a series of market development projects in which potential buyers are brought to the U.S. with Title I, PL 480 funds. First stop was Omaha, Nebraska, for a three-week study of production, marketing, and processing of Hard Red Winter wheat.

The Greeks will make firsthand observations of wheat production, storage facilities, research laboratories, flour mills, and bakeries. They will meet representatives of Land Grant Colleges. Their tour will end in Washington with Department officials and grain and flour technologists.

U.S. co-operators on the project are the Nebraska Wheat Commission, assisted by the Wheat Growers Association in Kansas and Wheat Research Foundation, Oklahoma.

DEVELOPMENT OF NEW USES FOR FARM COMMODITIES as means of reducing surpluses is suggested by the President's Commission on Increased Industrial Use of Agricultural Products in its first interim report to Congress (4/19/57). The Commission recommends a greatly expanded research program on utilization. They suggest that 15% of the annual gross receipts from customs revenues be used to finance the work. This would be in addition to 30% of customs revenues already allocated for agricultural uses.

Estimated total expenditure for all U.S. agricultural research now is \$375 million; \$190 million from Federal and State Governments, the remainder from private industry. The Commission recommends the \$16 million of federal funds in the current fiscal year for utilization research be at least tripled.

U.S. FEED EXHIBIT, SUCCESS AT VERONA FAIR, TO BE RE-SHOWN IN PALERMO, ITALY. The U.S. livestock feed supply exhibit at the recent International Agricultural Trade Fair in Verona, Italy, will also be shown at Palermo, Italy from May 24 to June 10. More than half a million farmers and trade representatives viewed the demonstration March 10-19, and Italian press called it the "most effective" at the fair. The display shows Italian farmers and others how more poultry meat and eggs can be produced at less cost through better poultry nutrition utilizing U.S. feed supplies. The exhibit features concentrates with 50% protein soybean meal as the primary ingredient, and U.S. corn, barley, oats, wheat, and milo.

WEST GERMANY IS BUYING MORE U.S. VARIETY MEATS. Purchases during 1956 rose to 31 million lbs., up 10 percent over same period in 1955. Market for these products continued to expand last year despite a German regulation requiring importers to pay a 15 percent premium for dollars used in paying for imports. This is a good example of prosperous foreign consumers' preference for quality products.

MARKET DEVELOPMENT PROGRAMS FOR FRUITS will shortly get underway following the recent signing of program agreements for the promotion of dried fruits in Germany. Prunes will be the first commodity program to be initiated this summer by the California Prune Advisory Board. The FAS contribution to this promotion constitutes only two-fifths of the total expenditure. Later this fall the California Raisin Advisory Board will launch a similar program for raisins.

USDA ANNOUNCES PROGRAM FOR HANDLING ROUGH RICE ACQUIRED IN SOUTHERN AREA - Milling program for rough rice acquired in Southern States under 1956 price support operation calls for scheduling rough rice for immediate milling only to extent required to free enough storage space to assure new crop can be properly handled at harvest time. Arrangements are being made to store for indefinite period the maximum quantity of rough rice for which suitable storage facilities are available.

FOURTEEN HYBRID SORGHUM VARIETIES ARE AVAILABLE TO GROWERS IN 1957: Despite newness of hybrid sorghums, more than 4 million acres, a fourth to half of the expected 1957 total acreage in sorghums for grains, will be planted to the new hybrid varieties this year.

1957 sorghum acreage for all purposes is indicated at 23 percent above 1956. Exports have expanded rapidly from 31 million bushels average (1946-55) to nearly 73 million in 1956.

Availability for export should be large next year.

CCC MONTHLY SALES LIST ADDS ROUGH RICE IN APRIL. It offers the following other commodities for sale: Milled rice, butter, nonfat dry milk, cheddar cheese, wool, cotton (upland and extra long staple), cotton linters, peanuts, corn, wheat, oats, barley, grain sorghums, dry edible beans, gum rosin, and gum turpentine.

MEXICO WANTS MORE U.S. CATTLE. In response to requests from cattlemen, the Mexican Government is negotiating for an additional \$5 million loan from the Export-Import Bank.

COUNTRY HIGHLIGHTS OF AGRICULTURAL EXPORTS FOR FY 1955-56 are covered in FAS Circular FATP 5-57, issued January 24, 1957. Details on the subject are contained in Foreign Agricultural Trade, January, 1957.

WHEAT EXPORT CREDIT FROM CCC AVAILABLE IN SPECIAL CIRCUMSTANCES. CCC hard red and hard winter wheat may again be sold under the CCC export credit program if, in the absence of CCC credit, sales of U.S. wheat for export could not be made. Export-Import Bank credit continues to be available to finance wheat exports. For many other designated commodities both sources are available depending on the need. See CA-2463, 9/18/56 and enclosures; also USDA release 1248-57, April 19.

1956 AGRICULTURAL EXPORTS INCREASED BY 1 BILLION OVER 1955, reaching a new high of 4.2 billion. A major factor has been the active teamwork of American agriculture, industry, and Government--with the Agricultural Attaches playing a prominent role. Significant is the substantial increase in U.S. agricultural exports to less-developed areas, including Latin America, Far East, and Africa. The table below shows the countries where the major portion of our agricultural exports were sent.

	<u>1955</u>	<u>1956</u>	<u>Increase</u>
Canada	282	341	+22%
Latin America	422	524	+25%
Europe			
United Kingdom	376	422	+12%
West Germany	243	366	+50%
Netherlands	243	273	+13%
Others	772	1107	+44%
Asia			
Japan	386	392	+2%
Others	346	578	+66%
Oceania	41	35	-13%
Africa	84	121	+44%
Total	<u>3195</u>	<u>4159</u>	<u>+31%</u>

EXPORTS SET NEW RECORDS IN VALUE AND QUANTITY IN FIRST 8 MONTHS OF 1956-57 FISCAL YEAR. July-Feb., 1956-57 estimated value of \$3.2 billion surpassed previous high of \$2.8 billion in 1951-52 by 13%. In quantity, grain was about one-third. Compared with a year ago, July-Feb., exports gained 48% in value, 53% in quantity.

EXPORT SALES OF U.S. FLOUR GAINED IN 1956. Exports at 24.7 million cwt. were the largest since the unusual shipments of 1949. Flour sales last year were nearly 3.2 million above 1955 and 8 million above 1954. In addition, exports of durum flours, mixes and specialty products in 1956 totaled about 365,000 cwt. and about one-half million cwt. were shipped under relief agency programs.

The U.S. remained in first place among world exporters after regaining its former traditional export role during 1955. U.S. flour exports accounted for one-third of the total world flour trade in 1956, highest percentage ratio since 1949. Canada and Australia were next highest in exports, but showed little change in export shipments from a year earlier.

Exports of Wheat Flour, by principal countries, 1949-56

Year	: United States	: Canada	: Australia	: Other countries a/	: World total a/
(In 1,000 cwt.)					
1949	: 32,218	: 19,008	: 15,991	: 7,350	: 74,567
1950	: 19,900	: 19,786	: 15,017	: 8,550	: 63,253
1951	: 22,958	: 23,674	: 18,243	: 12,250	: 77,125
1952	: 20,897	: 25,692	: 15,457	: 13,900	: 75,946
1953	: 17,444	: 21,843	: 17,393	: 12,950	: 69,630
1954	: 16,888	: 19,745	: 12,304	: 15,600	: 64,537
1955	: 21,548	: 16,857	: 14,343	: 18,100	: 70,848
1956	: 24,716	: 16,822	: 15,214	: 19,000	: 75,752
From official trade statistics.				a/ Partly estimated	

MARKETING NOTES - U. S. COTTON

COTTON IS KING. Cotton is the number one textile fiber of the world. It holds this position by tremendous odds. Here are the reasons:

Wearing Quality. Both laboratory abrasion tests and actual use tests show that cotton has the highest wear resistance of all textile fibers in common use. It has many times the abrasion resistance of wool, silk, or rayon. This makes cotton particularly preferable in men's shirts, children's garments, uniforms, and other outer garments. Its higher resistance is even more marked under conditions of humidity or moistness.

Launderability. Cotton's washability, always highly regarded by the housewife, has received new proofs of superiority in many scientific tests conducted by manufacturers, buyers, and impartial fact-finders. Excellent resistance to alkalies and greater strength when wet are the secret of cotton's ability to withstand repeated washings.

Heat Resistance. The electric iron pays tribute to the heat resistance of cotton fabrics. The heat indicator shows that linen and cotton are able to stand the hottest iron. Cottons do not melt, shrink, or stretch when ironed, and can be boiled to assure sterilization if desired.

Color-Fastness. A 7-year laboratory and practical performance study shows that cotton has the best all-around color-fastness of all fabrics tested. Cotton provides the best resistance to fading in laundering and dry cleaning, and in resistance to fading caused by perspiration. It excels both silk and all synthetics in its resistance to fading caused by light.

Pliancy. Cotton's pliancy makes possible fabrics of high flexibility without limpness, and great firmness without brittleness. In laboratory tests, cotton fabrics lost no strength after 50,000 folds, but, in the same tests, rayon failed entirely after 2,000 similar folds.

Strength. Cotton fabrics usually are stronger than the same constructions in manufactured cellulose fibers. Cotton's strength is roughly equal to that of structural steel. This strength increases 25 percent when cotton is wet, while all animal and synthetic fibers suitable for clothing show a decrease in strength of 30 to 65 percent when wet.

Permeability. Cotton apparel fabrics, even in the tightest constructions, permit proper transpiration of water vapor from the body - an essential element in comfort and health. Army research men chose cotton for tightly woven, water resistant outer garments to be used in coldest climates. They also chose cottons with a higher air permeability for summer wear in the tropics. Cottons absorb moisture and pass it on to the atmosphere without becoming soggy.

Perspiration Resistance. All fibers except cotton lose strength when wet. That is why all except cotton fail under perspiration exposure. Cotton apparel does not pull loose at the seams when dampened by perspiration.

Shrinkage. Cotton fabrics can be stabilized so that they will not shrink more than 1 percent in either direction. Unlike shrinkage processes used on synthetics, which tend to decrease fabric strength and abrasion resistance, sanforizing and other pre-shrinking processes applied to cotton increase the tensile strength and wearing qualities.

Absorbency. Cotton fabrics combine an excellent absorptive rate and absorptive capacity with quick drying. They also permit ready passage of water vapor even in the tightest constructions.

Versatility. Although some qualities of cotton can be reproduced in other fibers, there is no other fiber that conceivably can substitute for cotton in all its uses. Cotton's many inherent qualities are all present in each cotton fabric and in every cotton product, whereas in man-made fibers many valuable qualities must be sacrificed in order to obtain adequacy in a few.

COTTON IS LEADING U. S. CROP. Cotton is the largest U. S. farm crop, representing a gross income of \$2.6 billion in 1955, about 20 percent of the total income from all crops. Cotton is by far the largest commodity in our foreign trade. Its export value is normally nearly half of total agricultural exports. Nearly 45 percent of the total world trade in cotton in 1956-57 will be U. S. cotton. Thus U. S. cotton for many years has been one of the world's most vital and necessary crops; its production, processing and sale constituting one of the major factors contributing to world prosperity and economic stability.

FOREIGN CONSUMERS PREFER UNITED STATES COTTON. The importance of cotton to our national economy and the dominant position of U. S. cotton in world markets did not come about by chance. Years of research in breeding, production, and processing have produced a commodity that is preferred over most foreign cottons because of its superior spinning value. This preference is supported by a recent FAS report. This report shows that in fiber and spinning properties, which determine the spinning utility or real market value of cotton, the 1955 crop of American upland was superior to four competitive growths in 73 percent of the comparisons made.

The continuous and stable supply of uniform qualities of cotton from the U. S. promotes efficiency in foreign mill operations. Merchandising efficiency, reliability of shippers' guarantees, and favorable financing have combined over the years to earn for U. S. cotton its favorable position in the markets of the world.